

STATE OF UTAH

2009 CONSOLIDATED PLAN UPDATE AND ACTION PLAN

Prepared by the Utah Division of Housing and Community Development (DHCD)
February 15, 2009

INTRODUCTION

Like the 2008 update and plan, this 2009 Annual Update and Action Plan for Utah's 2005-09 Consolidated Plan follows the outline suggested by HUD in "New State Action Plan Submission Provisions". Some sections to this latest plan and update have not changed substantially since last year. However, other sections including the housing section have been rewritten based upon the dramatic changes in the national and Utah housing markets over the past 12 months. This is the 4th action plan associated with Utah's 2005-09 Consolidated Plan. DHCD has developed an EXCEL-based format for local agency use and DHCD's use in assembling and preparing a new state-wide Five-Year Consolidated Plan in 2010.

In Utah, units of local government have chosen to achieve efficiencies and pursue funding opportunities by pooling resources to create seven multi-county planning jurisdictions. Each of the planning jurisdictions works with local government (cities, towns and counties) in non-entitlement areas to assess regional needs, prioritize each region's needs, and prepare capital investment plans. The data and prioritized needs submitted by the seven jurisdictions are used by the Utah Division of Housing and Community Development to create the state-wide annual update, annual action plan, and Consolidated Plan (every fifth year). The seven jurisdictions include:

Table 1
Planning Jurisdictions: Local Annual Updates and Action Plans for Program Year 2009-10

Name of Jurisdiction	Counties Covered	Pubic Input Process (for additional detail on public processes, see the respective Consolidated Plan Update as submitted to DHCD by each area jurisdiction)	Date submitted to DHCD (see attached CD for copies of action plans)
Six County Association of Governments	Piute, Sevier, Sanpete, Juab, Wayne, and Millard	<p>To ensure that citizen participation in the 2009 consolidated planning process throughout the year, the Six County Association of Governments' Community Assistance Department as been compiling a survey. To date they have received approximately 900 needs assessment survey's. Each county and community in the region was interviewed. In addition, contact was made with agencies serving the elderly, special needs, domestic violence, substance abuse, homeless, workforce, public health, mental health, throughout the region were interviewed concerning housing and special needs.</p> <p>Another survey was sent out to all local churches in the Six County area. The survey included information about the Six County programs to assist the churches in areas of need such as utilities, rent, welfare and transportation. Approximately 200 needs assessment surveys were mail out. Only 18 churches returned the survey. Six</p>	December 2008

		County has held several public forums to address the needs of the region. In addition to the public forums, the SCAOG held a homeless summit. This involved several state agencies and local service providers. This was to address housing issues in the Six County area.	
Five County Association of Governments	Garfield, Washington, Kane, Beaver, and Garfield	A 30-day comment period soliciting public input of the draft document commenced December 15, 2008 and extended through January 15, 2009. The Plan was available for public review during the 30-day comment period at the Five County Association of Governments offices: 1070 West 1600 South, Building B., St. George, UT and 88 East Fiddlers Canyon Drive, Cedar City. The public was encouraged to review the Plan at one of the AOG offices listed above or to access the document on the AOG website (http://www.fcaog.state.ut.us). A public notice advertising availability of the Plan for public comment was scheduled for publication in The Spectrum newspaper on Sunday, December 14, 2008. In addition, an article was included in the Five County AOG newsletter soliciting comment on the draft document. The updated document, including the 2009 Action Plan, was presented to the Steering Committee on January 21, 2009 for adoption.	December 2008
Southeastern Utah Association of Local Governments	San Juan, Emery, and Carbon	During its ongoing consolidate planning process, SEUALG staff actively seeks input from the general public by participating in the client workshops held by its partner agencies, soliciting input from and surveying clients of its own programs and by participating in annual community resource fairs in each county. At these fairs the public is invited to discuss issues and a concern, provided information about available programs and services, and receives an overview about how the Consolidate Plan addresses these issues. Copies of the Consolidated Plan and annual updates are posted on the SEUALG's website and the public is invited to comment on the document. Finally, a public hearing for the 2009 Action Plan Update was held on December 9, 2008 with the comment period running from December 9, 200 through January 9, 2009. This public hearing was advertised in the five county newspapers December 2nd through the 4th, 2008. Copies of the 2009 Action Plan were also sent to all district organizations, entities, and interested individuals for comment.	December 2008
Uintah Basin Association of Governments	Daggett, Duchesne, and Uintah	<p>Most public involvement took place at local city and county public hearings that were held in each entity. Uintah Basin AOG staff provided Capital Improvements Lists for county and city leaders, and the public was invited to give their input for projects on the priority list. Uintah Basin AOG staff then took the information gathered at the public hearing and updated the Capital Improvements List to reflect which projects are most critical for each county. The UBAOG staff also met with each county's commissioners and each city's mayors to get their input on the one year action plan. We also worked with local housing authorities and the Uintah County housing counselor.</p> <p>The UBAOG also organized a public hearing and open house for public comment on what they would like to see in this year's one year action plan. This was held on November 19, 2008 at the UBAOG office building.</p> <p>Each entity still lists decent affordable housing as the main priority for the area. They are concerned with the lack of affordable housing due to higher rents. They are concerned that the lack of affordable housing has made it difficult for new businesses in the area to find the workforce needed. This is affecting the diversification of the local economy and new economic development opportunities.</p> <p>Other areas that are of concern to public officials include keeping up with high demands for water and sewer systems. They also list the need for increased public</p>	December 2008

		safety including updating and increasing fire and safety equipment and facilities. Finally, they note the need for park, fairground, and other recreational area improvements.	
Mountainlands Association of Governments	Utah, Summit, and Wasatch	<p>For the 2008 Consolidated Plan update, initial public hearings were held on Tuesday, September 30, 2008 at Mountainland Association of Governments in Heber City, and Thursday, October 9, 2008 in Orem. These hearings were noticed by publication in regional newspapers --the Daily Herald published a notice for the Utah County hearing held at MAG and The Wasatch Wave and The Summit County Bee published notices for the Wasatch/Summit County hearing held in Heber City. These hearings were also noticed on the MAG web site (www.mountainland.org).</p> <p>To open the 30-day public comment period, a second round of public hearings were held on Thursday, October 29, 2008 at the Mountainland Association of Governments office in Orem, and on Tuesday, October 28, 2008 at the Wasatch County Building, Heber City. These hearings were noticed by publication in regional newspapers; The Daily Herald published a notice for the Utah County hearing held at MAG, and The Wasatch Wave and The Summit County Bee published notices for the Wasatch/Summit County hearing held in Heber. These hearings were also noticed on the MAG web site (www.mountainland.org). The draft Consolidated Plan was also posted on the MAG web site, with a notice regarding the public input process.</p>	December 2008
Wasatch Front Regional Council	Davis, Weber, Tooele, and Morgan	<p>This process begins with County Council of Governments meetings. Councils of Governments are made up of elected officials that represent each municipality including county commissioners. These meetings are well publicized on county websites, in newspapers and posted at county courthouses. Additionally, meeting agendas are faxed and emailed to large distribution lists within each county. Monthly meeting agendas and minutes are available by contacting each county COG or from county websites. WFRC coordinates with each county COG regularly in order for our region to have a greater understanding of the CDBG program and its requirements. Each COG board approves and adopts the consolidated plan, project rating and ranking, rating and ranking criteria. Additionally, COGs determine countywide needs, priorities, goals and objectives. Activities undertaken to date have provided an effective forum for evaluating housing, community, and economic development needs</p> <p>The Wasatch Front Regional Council posted the plan on their website (www.wfrc.org) on November 3, 2008 to announce the beginning of the public comment period. Comments are requested and encouraged at any time during the planning process. Information regarding the CDBG program which includes: the Five-Year Consolidated Plan, county allocation amounts, project ideas, previously funded projects and a link to the state Division of Housing and Community Development are also available. These actions were taken to encourage the participation of local and regional institutions and other organizations, cities, counties and the public at large. Low income residents are especially encouraged to participate in the planning process. Special accommodations were provided for persons with disabilities and non-English speaking residents. Most if not all forty-two cities and counties participate in the development and update of the plan through their capital improvement plans and local community questionnaires. Copies of the Five-Year Consolidated Plan and the 2009 Annual Action Plan can be found at Wasatch Front Regional Council and the Utah Department of Community and Culture, Division of Housing and Community Development. Each city and county may also have a copy of the plan and may be contacted directly. The views of citizens, public agencies and other interested parties</p>	December 2008

		were considered and incorporated to the degree possible when preparing the consolidated plan. There were no comments from the general public during the 30-day public comment period.	
Bear River Association of Governments	Box Elder, Rich, and Cache	<p>As part of this Consolidated Planning process BRAG collects information from as many outside sources as possible. This public input process is an attempt to synthesize public opinion about the adequacy of support and funding of BRAG's services and products within the Bear River District and has included 3 public meetings, 2 written surveys and one phone survey.</p> <p>Two of the meetings held were Public Needs Forums predominately attended by those that provide services to moderate and low income people. These meetings took place in the two largest cities of the Bear River District, Logan and Brigham City. Results of these public forums were synthesized into major topics and ranked by the number of times they were brought up. During the Public Needs Forum, a written survey was also handed out to assess specific issues related to housing needs, economic development and human services. Information was also gathered at a BRAG Governing Board meeting held in Laketown in Rich County.</p> <p>BRAG mailed out written surveys to the Mayor of every city and town within the District. In the surveys we requested details about their communities' largest needs as well as how they are currently planning on addressing those needs. 23 of the 37 surveys sent out were returned.</p> <p>In addition, information was received in public meetings held November 26, 2006, September 25 and November 27, 2007 and January 22, 2008. This was followed up with two surveys of the general population survey, both commissioned by BRAG in 2007. Public comments on the draft Consolidated Plan 2009 Action Plan began on December 29th, 2008 to coincide with the next Governing Board meeting on January 27th, 2009 before adoption of the final document. Solicitations for public review are posted in four area newspapers. The 2009 Annual Action Plan drafts are also available at the BRAG office and www.brag.utah.gov.</p>	December 2008

HUD funds including CDBG, ESG, HOME, and HOPWA are allocated along with other funding to create community-based projects. The local and statewide Consolidated Plans and updates are important in prioritizing the allocation of these and other scarce public funds at state, regional, and local levels. Other funds allocated by DHCD, other state, regional, and local agencies include the Utah Community Impact Fund (federal mineral lease royalties), state safe drinking water and wastewater programs, state community assistance programs (Pamela Atkinson Homeless Trust Fund and Critical Needs Funding), and the federal Department of Agriculture's Rural Development housing and community development programs (Section 502, 504 and 515 funds).

Other funding sources used in partnership with HUD funds to meet local needs include federal LIHTC and state tax credits administered by the Utah Housing Corporation, historic tax credits administered by the Utah Division of State History, renewable energy tax credits administered by Utah Geological Survey, funds from nonprofit organizations (such as Utah's Crusade for the Homeless, United Way, and the LDS Church), RDA housing set-aside funds, and CRA funds available from various financial institutions. Any allocation of HUD funds by the Division of Housing and Community Development is coordinated with other plans. For example, the homeless housing section of Utah's Consolidated Plan supports Utah's "10-Year Plan for the Elimination of Chronic

Homelessness". The CDBG section supports the "Community Development Block Grant Program Application Policies and Procedures". The housing section supports the Olene Walker Housing Loan Fund's "2008 Allocation Plan". The ESG section supports the "Balance of State Continuum of Care" plan which is submitted to HUD annually during the super NOFA process and serves as the basis for new local applications submitted each spring to the Division of Housing and Community Development. Each region possesses an economic development plan, outlining preferences for economic development and expansion. The Division of Housing and Community Development facilitates the communication and coordination with the Governor's Office of Economic Development as well as other federal, state, and local agencies for economic development. The Governor's "Economic Revitalization Plan" and his proposed \$14.4 billion "Recommended "Ready-to-Go" Western State Infrastructure Projects" list provide specific goals for economic development and stimulus.

There will always be regional variation in planning approaches and priorities due to distinctly different problems and processes. Moreover, some regions are much more sophisticated in their planning processes – the level of sophistication being a function of capabilities and backgrounds of local elected officials and local/regional planning staff. The completeness of plans and updates as well as the depth of the analysis reflect that sophistication. During 2008, two formal all-day training sessions were held for planning staff from each of the seven jurisdictions. DHCD conducted these sessions to acquaint planners with better processes and sources to use for creating higher quality annual plan updates, action plans, and the overall Consolidated Plans. In turn, DHCD expects the staff at local cities and counties to now benefit from the technical assistance provided to the seven jurisdictions. Throughout the year, DHCD also provides on-going technical and financial assistance to the regions for research, planning, prioritization, and program development.

For all programs, DHCD engages community partners to expand the impact of HUD-funded programs in Utah. As institutional structures, these partnerships are evidenced by the high and consistent degree of leveraging that is created by HOME, ESG, HOPWA, and CDBG-funded projects. Each of the four programs is governed by a Board or advisory group with overall representation from institutional structures (community partners including non-profit agencies and local service providers): elected officials, community activists, commercial lending institutions, other state agencies, and business leaders. These representatives not only provide a community voice in policy and funding considerations, but provide access to local systems for program delivery and outreach.

Annually, each of the seven planning jurisdictions updates a specific component of their old five year consolidated plan in preparation for the next five-year plans (due to HUD in 2010). For this 2009 year update and action plan, many of the local agencies continued to refine their housing analysis, needs and priorities. Through updated and reliable state-wide data along with coordinated plans, the state and local/regional partners can find solutions to common problems.

EXECUTIVE SUMMARY

The State of Utah, Department of Community and Culture, Division of Housing and Community Development administers HUD Entitlement Programs for the state of Utah (those funds not awarded directly to entitlement cities and counties). The Utah Division of Housing and Community Development intends to implement the State of Utah Comprehensive Plan 2005-09 (as herein updated) and to strategically allocate resources for significant community, economic, and affordable housing development projects that reduce the number of persons living in poverty and that mitigate poverty's effects on households. Furthermore, the implementation of the state-wide plan and the local plans can improve the living conditions of lower income households, increase employment opportunities, create housing choices for all persons including homeless persons, and provide services targeted toward lower income households.

This consolidated plan covers the non-entitlement areas of the state. The cities of Salt Lake, West Valley, West Jordan, Taylorsville, Sandy, Layton City, Ogden City, Provo City, Orem City, Clearfield City, Logan, and St. George are excluded. The entire Salt Lake County entitlement population of over 1,030,519 is excluded. With these exceptions, this plan now serves a total population of almost 1,200,000. The HOME program serves the entire state in that HOME funds can be spent in combination with other HOME funds coming to participating jurisdictions. ESG and HOPWA components serve a larger area due to the expanded eligibility of other participating jurisdictions especially along the Wasatch Front (Utah, Salt Lake, Davis and Weber Counties). Whereas, CDBG funding allocations are prioritized to assist rural Utah communities.

Table 2C summarizes past, current, and proposed performance indicators for 2005-09. The summary of the accomplishments from the past four plan years are also reported in IDIS and the annual Consolidated Annual Performance and Evaluation Report submitted to HUD each June. The allocation of HUD funds for HOME, CDBG, ESG, and HOPWA are prioritized with the following activities for 2009:

1. Projects that serve low AMI populations including special needs (elderly, mentally ill, victims of domestic violence, and the homeless).
2. Housing projects that include the acquisition and rehabilitation of multifamily rental properties.
3. Programs that help preserve livability and homeownership for low income single family homes.
4. Development of community facilities and infrastructure as well as economic development opportunities that benefit LMI populations.

CITIZEN PARTICIPATION

Table I shows the citizen participation for each of the local planning agencies as each area plan update and action plan was completed. For the 2009 Annual Update and Action Plan, the Division of Housing and Community Development advertised the availability of the draft statewide for public comment on February 5, 2009. Concurrent to that posting, the draft was posted to the DHCH website, and citizens were invited to contact staff with comments and questions. The formal public hearing occurred at the DHCD offices on February 12, 2009 (at 324 South State Street #500, Salt Lake City, Utah) in

accordance with Utah's Open Public Meeting Laws. This meeting was noticed statewide with electronic access to rural and remote areas upon request. A copy of comments received is included as Attachment 1. As noted, this update and action plan is consistent with other program plans promulgated by DHCD. Each of those plans also undergoes an annual statewide public comment period.

SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

Table 2C shows the outcome measures proposed by DHCD. These state-wide outcome measures are based upon the review of outcome measures proposed by each of the seven planning agencies. For this update and action plan, the number accomplished has been polled from the HUD IDIS database (report #CO4PR23), OWHLF Annual Report to the Utah Legislature, or CDBG Annual Report. The 2008 data have not been fully compiled, but will be submitted with the 2009 CAPER.

Table 2C – 2009 Annual Update and Action Plan (Statewide)
(2008 priorities are shown in parenthesis for comparison)

Table 2C Summary of Specific Objectives									
Specific Obj. #	Outcome/Objective	Priority	Sources of Funds	Proposed Allocation HUD \$ FY08	Performance Indicators	Program	Expected Number	Actual Number	Percent Completed
	Specific Objectives					Year			
DH-1	Availability/Accessibility of Decent Housing								
DH-1.1	Provide fully-accessible rental housing	M (H)			Households assisted (new SF and MF units for persons having physical disabilities)	2005	50	34	68%
						2006	75	28	37%
						2007	100	45	45%
						2008	100	120	120%
			HOME	\$200,000		2009	100		0%
					MULTI-YEAR GOAL				
DH-1.2	Provide housing for households with special needs (mental illness, seniors, etc.)	H (H)			Number of <u>new</u> units funded	2005	35	79	226%
						2006	40	181	453%
						2007	45	60	133%
						2008	45	120	267%
			HOME	\$450,000		2009	45		0%
					MULTI-YEAR GOAL				

DH-2	Affordability of Decent Housing								
DH-2.1	Develop more affordable rental housing	H (H)			Households assisted (new and rehabilitated MF units)	2005	950	518	55%
						2006	975	540	55%
						2007	1,000	527	53%
						2008	750	794	106%
			HOME	\$1,200,000		2009	750		0%
					MULTI-YEAR GOAL				
DH-2.2	Provide housing solutions to end chronic homelessness	H (H)			Number of new units funded	2005	0	0	0%
						2006	25	100	400%
						2007	100	169	169%
						2008	150	279	186%
			HOME	\$750,000		2009	150		0%
					MULTI-YEAR GOAL				
DH-2.3	Increase homeownership opportunities for low income families	M (H)			Number of new homes created	2005	350	506	145%
						2006	350	173	49%
						2007	350	249	71%
						2008	350	395	112%
			ADDI CDBG HOME	\$23,181 incl. other categories \$755,609		2009	350		0%
					MULTI-YEAR GOAL				
DH-2.4	Provide housing for households with HIV/AIDS (through Tenant Based Rental Assistance; Facility-based Housing Assistance; and Short-term Rent, Mortgage and Utility Assistance.	M (L)			# of households served with rental assistance	2005	80	145	181%
						2006	80	90	113%
						2007	80	54	68%
						2008	80	73	91%
			HOPWA	\$103,500		2009	80		0%

					MULTI-YEAR GOAL				
DH-2.5	Increase capability of local agencies to plan and develop housing projects	M (M)			Number of workshops and formal trainings provided	2005	5	21	420%
						2006	5	2	40%
						2007	5	12	240%
						2008	5	16	320%
			HOME CDBG	state funded see below		2009	5		0%
					MULTI-YEAR GOAL				
DH-2.6	Prevent homelessness through rental assistance	M (L)			# of households served with rental assistance	2005	NA - new objective	NA - new objective	NA - new objective
						2006	NA - new objective	NA - new objective	NA - new objective
						2007	NA - new objective	1,015	NA - new objective
						2008	400	400	100%
			ESG	\$180,000		2009	400		0%
					MULTI-YEAR GOAL				
DH-3	Sustainability of Decent Housing								
DH-3.1	Preserve more affordable housing	M (H)			Households assisted (SF units preserved and rehabilitated including lead based paint abatement)	2005	20	208	1040%
						2006	40	546	1365%
						2007	60	281	468%
						2008	80	230	149%
			CDBG HOME	incl. in other categories state-funded		2009	100		0%
					MULTI-YEAR GOAL				
SL-1	Availability/Accessibility of Suitable Living Environment								
SL-1.1	Provide more and upgraded public facilities primarily benefiting low-income citizens	H (H)			(LMI) persons served through increased number of facilities and services	2005	101,000	14,068	14%
						2006	101,000	24,276	24%
						2007	101,000	48,395	48%
						2008	50,500	28,100	56%
			CDBG	\$3,500,000		2009	50,500		0%
					MULTI-YEAR GOAL				

SL-2	Sustainability of Suitable Living Environment								
SL-2.1	Provide safe and clean water, primarily to low income persons, to improve the sustainability of the community.	H (H)			(LMI) persons being served	2005	4,000	4,446	111%
						2006	4,000	1,301	33%
						2007	4,000	2,869	72%
						2008	2,000	17,146	857%
			CDBG	\$500,000		2009	2,000		0%
					MULTI-YEAR GOAL				
SL-2.2	Provide warm and safe shelter for the homeless	H (H)			Shelter nights	2005	NA - new objective	NA - new objective	NA - new objective
						2006	NA - new objective	NA - new objective	NA - new objective
						2007	NA - new objective	43,154	NA - new objective
						2008	20,000	19,441	97%
			ESG	\$210,000		2009	20,000		0%
					MULTI-YEAR GOAL				
SL-2.3	Remove barriers to disabled persons utilizing public facilities	M (M)			Disabled persons being served	2005	50,000	12,091	24%
						2006	50,000	25,455	51%
						2007	50,000	31,080	62%
			CDBG	\$100,000		2008	25,000	1,843	7%
						2009	25,000		0%
					MULTI-YEAR GOAL				
SL-2.4	Provide other public infrastructure improvements	M (L)			(LMI) persons being served	2005	3,000	16,685	556%
						2006	3,000	11,403	380%
						2007	3,000	13,628	454%
						2008	3,000	1,425	48%
			CDBG	\$1,750,000		2009	3,000		0%
					MULTI-YEAR GOAL				
EO-1	Availability/Accessibility of Economic Opportunity								
EO-1.1	Create economic opportunity	H (L)			Number of jobs created	2005	800	661	83%
						2006	800	1,041	130%
						2007	800	971	121%

			HOME			2008	800	1,369	171%
						2009	800		0%
					MULTI-YEAR GOAL				
EO-1.2	Support services to increase self sufficiency for the homeless	H (H)			Hours of case management	2005	NA - new objective	NA - new objective	NA - new objective
						2006	NA - new objective	NA - new objective	NA - new objective
						2007	NA - new objective	6,914	NA - new objective
						2008	8,500	5,534	65%
			ESG	\$180,000		2009	5,500		0%
					MULTI-YEAR GOAL				
EO-2	Affordability Economic Opportunity								
EO-2.1	Increase available affordable units of workforce housing	M (M)			Number of units created	2005	NA - new objective	NA - new objective	NA - new objective
						2006	NA - new objective	NA - new objective	NA - new objective
						2007	NA - new objective	150	NA - new objective
						2008	120	163	136%
			HOME	incl. above – see D-1 through SL-2		2009	120		0%
					MULTI-YEAR GOAL				
EO-3	Sustainability of Economic Opportunity								
EO3.1	Insure that projects support LMI populations	H (H)			Average AMI served through projects	2005	40	39	98%
						2006	40	39	98%
						2007	40	33	83%
						2008	40	34	85%
			HOME	incl. above –		2009	40		0%

				see D-1 through SL-2					
					MULTI-YEAR GOAL				
CR-1	Community Revitalization								
CR-1.1	Plan for better communities and utilization of funds	M (H)			Number of LMI persons benefiting	2005	2,600	800	31%
						2006	2,600	800	31%
						2007	1,000	800	80%
						2008	1,000	800	80%
			CDBG	\$445,440		2009	1,000		0%
					MULTI-YEAR GOAL				

1. The lack of federal funding and support for the ADDI program has necessitated a dramatic reduction in proposed performance beginning in 2008.
2. To better reflect new activities to support affordable housing and homeless initiatives, DHCD has added new objectives for 2008.
3. For 2008, DHCD has redefined various objectives (see blue highlight) and the related performance indicators due to a "reality check" and new priorities. Certainly, some levels of production in 2007-09 could not sustain the earlier 2005 projections due to changes in the cost per unit, scarcity of other funding sources, declining federal funding and tax credits, changing community needs, and availability of measurable data.
4. For administrative set-asides, see Attachment 4.
5. Items noted in red have been verified, while other performance data will be verified and submitted with Utah's 2008-09 CAPER.
6. The years listed (2005, 2006, etc.) denote the year beginning in 2005, 2006, etc.

OUTCOME MEASURES (See Table 2C above)

Each regional consolidated plan discusses performance measures and the reader should refer to each plan for detailed outcome measures for each region. DHCD has compiled the outcome measures on a state-wide basis within Table 2C above.

ALLOCATION PRIORITIES

Priorities listed in Table 2A have been compiled by DHCD staff after review of local plans and discussion with planning agency staff. These priorities have been integral to the development of specific objectives listed in Table 2C above.

Table 2A
Program Year 2009-10 - State Priority Housing Activities/Investment Plan
(2008 priorities are shown in parenthesis for comparison)

PART 1. PRIORITY HOUSING NEEDS		Priority Level Indicate High, Medium, Low, checkmark, Yes, No	
	Small Related	0-30%	H (H)
		31-50%	M (M)

Renter		51-80%	L (L)
	Large Related	0-30%	H (H)
		31-50%	H (M)
		51-80%	L (L)
		Elderly	0-30%
	31-50%		M (H)
	51-80%		L (L)
	All Other		0-30%
		31-50%	M (M)
		51-80%	L (L)
		Owner	0-30%
	31-50%		H (M)
51-80%	M (H)		
PART 2 PRIORITY SPECIAL NEEDS			Priority Level Indicate High, Medium, Low,
Elderly	H (H)		
Frail Elderly	H (H)		
Severe Mental Illness	H (H)		
Developmentally Disabled	M (H)		
Physically Disabled	M (H)		
Persons w/ Alcohol/Other Drug Addictions	L (M)		
Persons w/HIV/AIDS	L (M)		

Victims of Domestic Violence	H (M)
Other	L

ART 3 PRIORITY HOUSING ACTIVITIES	Priority Level Indicate High, Medium, Low, checkmark, Yes, No
CDBG	
Acquisition of existing rental units	M (L)
Production of new rental units	M (M)
Rehabilitation of existing rental units	H(M)
Rental assistance	M (L)
Acquisition of existing owner units	L (H)
Production of new owner units	M (L)
Rehabilitation of existing owner units	H (H)
Homeownership assistance	M (H)
HOME	
Acquisition of existing rental units	L (M)
Production of new rental units	M (H)
Rehabilitation of existing rental units	M (M)
Rental assistance	M (L)
Acquisition of existing owner units	L (L)
Production of new owner units	M (M)
Rehabilitation of existing owner units	H (H)

Homeownership assistance	H (L)
HOPWA	
Rental assistance	L (H)
Short term rent/mortgage utility payments	L (M)
Facility based housing development	L (L)
Facility based housing operations	L (L)
Supportive services	L (L)
Other	
A. Other Populations:	
1. Unaccompanied youth	M (H)
2. Other discharged individuals (incarceration, etc.)	M (H)
3. Homeless populations	H (H)
B. Other Community Needs	
1. Community Facilities (libraries, community halls, etc.)	H (H)
2. Water	H (H)
3. Planning	M (M)
4. Economic Development	H (L)
5. Removal of Barriers for the Disabled	M (M)
6. Sewer Systems	M (L)
7. Transportation	H (L)

Serving Distressed or Disadvantaged Populations and Communities 2009-10

In connection with the LIHTC Program and USDA Rural Development, disadvantaged areas of the state have been identified. Often these areas are underserved due to their remote locations, lack of service agencies such as housing authorities and other non-profit providers, lack of infrastructure and capital, and lack of development capacity for community and housing projects. DHCD has targeted Native American lands and populations for special projects in 2005-09. These special projects include a workcamp rehabilitation project for Ute and Navajo homes at the White Mesa and Westwater sites in San Juan County (2005-2008), a workcamp project at the Uintah Ouray Reservation in Duchesne and Uintah County (2009), a \$150,000 rehabilitation grant to the

Northern Shoshone Tribe for members in northern Utah (2008-09), and a new partnership with the Utah Indian Housing Council to bring technical assistance to tribes lacking effective housing programs and access to capital. Other projects being constructed or rehabilitated in areas with lower income populations often include natural concentrations of minority populations. Projects serving lower AMI areas receive priority points in the OWHLF multifamily loan application process. The following areas have been designated as disadvantaged areas where there housing shortages, unusually high unemployment, significant levels of poverty, concentrations of minority populations, lower per-capita incomes, economic isolation, and etc. DHCD has adopted these disadvantaged areas as focus areas and will target CDBG, HOME, ESG, and HOPWA funds and technical assistance/outreach to these areas.

- Bear River Region: none identified as distressed for in BRAG 2009 Consolidated Plan Update
- Uintah Basin Region: All three counties (Duchesne, Uintah and Daggett Counties) are considered distressed due to impacts created by the “energy boom”, Manila, Vernal, Naples, Ballard, Altamont Town, Myton and Roosevelt. The Ute tribal area around Ft. Duchesne is also distressed.
- Wasatch Front (non-entitlement only): Wendover
- Six-County Region: Eureka, Elsinore, Wales, Torrey, and Hanksville
- Five-County Region: Hatch, Henrieville, Enoch City, Alton, Orderville, LaVerkin City, and Enterprise City.
- Southeastern Region: Kenilworth, East Carbon/Sunnyside, Green River, Emery, Thompson, S.Moab/Spanish Valley, Mexican hat, and LaSal
- Mountainland Region: Daniels, Charleston, and Midway for affordable housing shortages



The 2008 Group Workcamps Project upgraded 52 Native American and other low income homes in southeastern Utah.

Overall, local financial resources tend to be inadequate for distressed communities. And, DHCD endeavors to place HUD entitlement funds to best leverage any local resources and create new funding partnerships. DHCD staff meets with various partner allies on at least a quarterly basis to coordinate services, identification and prioritization of needs, and resource leveraging. One forum for this coordination is the Utah Housing Coalition.

For 2009-10, DHCD continues to develop a more active partnership with the banking community including Utah’s Industrial Banks to access Community Reinvestment Act set-aside funds. At the same time, distressed and underserved areas generally require more technical assistance and capacity sharing to access and administer DHCD funds and any partner dollars. To this end, DHCD staff and partners are providing one-one-one and small group trainings during 2009-10. Topics include software to project local needs,

developing and updating local housing plans, project development, HOME regulations, accessing RDA and CRA funds, local capacity, regulatory barriers to affordable housing, and energy efficiency.

Another problem for distressed communities is finding reliable and affordable contractors to perform CDBG and HOME funded construction. Although the economic downturn of 2008 has increased availability of contractors, DHCD continues to work with other labor pools including vocational programs and the weatherization assistance program to assist some outlying communities.

AFFORDABLE HOUSING (Please refer to Table 2C above)

This past year has been marked by great instability for the U.S. housing industry. Market swings in Utah are less pronounced than in neighboring Arizona, Nevada, and California. But Utah's foreclosure rates are climbing, and all indicators suggest that the housing slump will get worse before it gets better. Typically, Utah's rate lags the national foreclosure rate, but could increase to 3.0 percent in 2009. There is no compelling evidence from either historical trends or local market conditions that Utah will be able to avoid foreclosure rates that approach at least the national rate.¹ The foreclosure problem is particularly pronounced in Salt Lake County, followed by Weber, Washington, Davis and Utah counties where DHCD has proposed to focus allocation of NSP funds per the NSP plan submitted to HUD on December 1, 2008. Defaults and foreclosures are increasing as the overall Utah economy and housing market weakens. Utah's economy has created fewer new jobs in 2008 with job growth down to .04 percent in 2008.² Moreover, it is often difficult for homeowners who are experiencing employment and financial difficulties to sell their homes at a price high enough to cover mortgage obligations. The increase in defaults and foreclosures is also a function of predatory lending practices, variable rate mortgages, and compounding effects of individual household's consumer debt. The estimated number of for subprime loans in Utah is 50,000 with 75 percent resetting in 2008 and 2009.³

The credit crunch has clamped down on financing for affordable housing, just as foreclosures are rising and stricter lending standards are making it harder for Utah households to qualify for loans. Although home prices have stabilized, average home prices still remain above reach for many families. With a \$68,000 median qualifying income for home ownership, many working professionals including teachers, police, and nurses cannot afford to buy homes in their communities including homes available due to foreclosure of abandonment.⁴

The low number of potential buyers who can afford or qualify for home mortgages, and the high number of households losing their homes, has created pressure on the overall rental market. For the extremely low income (ELI) population alone, a study completed in December 2008 suggests a 36,251-unit gap between need and availability in affordable rental housing.⁵ Utah's cumulative need in affordable rental units for all low income populations alone is estimated at 54,000 units, an increase of 3,000 units needed since 2008. In addition to the need for additional units, affordability for almost 63,000 existing low-income housing units (<30% AMI) must

¹ Wood, James, "Utah Foreclosures Likely to Set Record in 2009," Bureau of Economic and Business Research, University of Utah, August 2008.

² *Ibid.*, page 2.

³ Wood, James, page 2.

⁴ Matthews, Dr. Kelly K., "Housing Affordability Analysis", July 2008.

⁵ Draft report prepared by the Bureau of Economic and Business Research, University of Utah, December 2008.

be maintained including 41,500 rental units. For the lowest income population, this equates to almost 2,500 units needing rehabilitation each year.

In the past year, Class A, B, and C rental units experienced a 9.3 percent increase in rents in Salt Lake County compared with the 15-year average of 6.1 percent. Statewide, rents increased between 4.0 and 9.0 percent. Utah is also experiencing low vacancy rates in rental housing stock with counties statewide reporting between 4.9 and 7.0 percent vacancies. Some areas report a vacancy rate as low as 1.2%. The demand and limited supply of rental units is also manifest in long waiting lists for public housing. DHCD conducted a survey in October 2008 for 17 of Utah's 18 public housing authorities. That survey indicates an average waiting list for urban areas at 1 year for small studio and 1-bedroom public housing units and up to 4 years for 3-4 bedroom public housing units. With waiting lists of 1-3 years for affordable units, the number of families entering Utah homeless shelters has more than doubled.

The decrease in availability for affordable rental units within the overall housing market translates into rent increases and puts Utah's low-income households at risk. Utah has approximately 163,000 low-income renter households (0 to 80 percent AMI) or one in four of all households. Last year, Utah's rental units averaged \$703 per month for a two-bedroom unit, compared with \$678 per two-bedroom unit in FY07. A family must earn \$2,344 monthly or \$28,128 annually to afford this level of rent and utilities, without paying more than 30 percent of their household income. This level of income translates into a housing wage of \$13.52 per hour for a two-bedroom unit. However, the average renter only earns only \$11.05 per hour.⁶ This disparity between rent and income results in low-income households migrating to older and less-functional Class C apartments that need repairs or updating and that are located in more economically depressed neighborhoods.

Much of the affordable housing in this country is funded through the sale of tax credits, and the biggest buyers of credits are financial institutions, which are still recovering from the mortgage crisis. Waning demand for the tax credits has driven down the price, which has developers looking to the OWHLF to plug the gaps. The Olene Walker Housing Loan Fund Board took extraordinary steps this past year to shore up Utah's affordable housing market, dipping into the fund's reserves to aid developers who are feeling the squeeze of the nation's mortgage crisis and tax credit crunch. In doing so, the board salvaged six projects, encompassing 263 new, or newly renovated, low-income housing units. Although the OWHLF-financed units increased from 527 rental units to the 794 units for 2007-08, there are insufficient OWLHF funds to fully meet Utah's affordable housing needs. In



The Housing Authority of Salt Lake County's Grace Mary Manor was built using \$1.0 million from the OWHLF to leverage \$7.8 million in other funds. The project creates 84 units of supportive housing for the chronically homeless population.

⁶ National Low Income Housing Coalition, Washington, D.C. per www.nlihc.org/oor/oor2008/data.cfm?getstate=on&getnonmetro=on&state=Ut

an effort to stretch OWHLF dollars and take advantage of economies of scale, the board this year financed more multi-family units than single-family homes. Additional funding to the Olene Walker Housing Loan Fund can help meet Utah's affordable housing needs for rental and homeownership opportunities.

All four HUD programs include a housing component (HOME, ESG and HOPWA and CDBG). Housing projects, including related off-site infrastructure improvements, compete well in the CDBG program because they are targeted and clearly eligible except for new single-family home construction. If gaps are present in the funding for housing projects, applicants consider applying for CDBG to fill those gaps. There is a greater priority for housing-based CDBG applications due to the increased involvement of local governments in providing affordable housing programs per their community housing plans.

The preparation of affordable housing plans has increased the awareness of the elected official on the issues surrounding housing. These plans are required under state law, with 139 plans submitted to DHCD as of July 2007. With technical assistance being provided during 2007-09 by DHCD staff, the quality of the community housing plans will increase to more accurately forecast housing needs and provide realistic action plans for housing developments. While these plans consider the growing need for workforce housing, they are expected to prioritize affordable housing actions to serve vulnerable populations including the elderly, frail, disabled, persons with HIV/AIDS, the homeless, and those with substance abuse issues.

The training of local planning officials is also focusing on the creation of these new capacities in affordable housing and dispersing projects throughout communities rather than concentrating low income populations into high poverty neighborhoods.

To better prepare low income households for home ownership and to encourage home ownership, DHCD has participated in the formation of the nonprofit Utah Homebuyer Education Coalition (UHEC). Members of the coalition have agreed to certify counselors for homebuyer education and use a consistent statewide curriculum. The curriculum prepares households for homeownership by counseling on debt management, money management, down payment assistance options, financial responsibility for taxes and insurance, property upkeep, and avoiding mortgage fraud. The coalition also assists households with foreclosure issues including foreclosure intervention with mortgage lenders.

The amount of HUD funding to DHCD for down payment assistance (ADDI) has steadily declined to less than \$25,000 for 2008-09, an insufficient allotment for a statewide program that has historically averaged \$2,000 per ADDI-participating household. With only minor corrections in home prices, the \$2,000 is proportionately inadequate for most households. Beginning in 2008-09, the ADDI allocations have been administered to eligible households in conjunction with Individual Development Accounts (IDA). The IDA administering agency is identified in state statute as the nonprofit AAA Fair Credit Foundation. This agency provides a statewide outreach to potential IDA participants including current residents of manufactured home parks and public housing units. Applicants are screened by AAA Fair Credit Foundation to determine if households are suitable for home ownership. All households accepted into the IDA program are required to participate in home ownership counseling provided by a UHEC agency. Where appropriate the remaining ADDI funds will be allocated by AAA Fair Credit Foundation to ADDI-eligible households. It should be noted that all

allocations of ADDI funds after November 2007 are made as grants and not loans. Any repayments of ADDI loans from former participants are forwarded to the Utah Division of Finance and treated as HOME program income.

Each year, at least 15% of HOME funds received by DHCD are set-aside as a CHDO reservation.

AFFORDABILITY PERIOD

In establishing its policy regarding affordability periods, DHCD is aware that all housing units that receive HOME funds must comply with a designated affordability period, that each participating jurisdiction may decide how it wants to ensure continued affordability through a resale or recapture provision, and that a PJ must select either the resale or recapture option at the time the HOME assistance is provided.

Contracts issued by the Division of Housing and Community Development for projects funded by the Olene Walker Housing Loan Fund Board (using HOME funds and state match including program income) include language that requires adherence to recapture provisions per CFR 92.254 (a) (5). The promissory note for loans also restates the recapture requirement and the affordability period. Under the recapture option selected by DHCD, the division will recover all of the HOME assistance or share in net proceeds at the time of the sale by the borrower/grantee. Depending upon each particular project, DHCD will apply one of the basic options for recapture:

1. DHCD can recapture the entire amount of the HOME assistance from the borrower/grantee if the property is sold during the HUD required affordability period,
2. DHCD can elect to reduce the amount of the HOME assistance to be repaid on a pro-rata basis according to the amount of the affordability period the borrower/grantee has owned and occupied the property,
3. DHCD and the borrower/grantee can share the net proceeds of the sale of the property based upon the ratio of the HOME assistance provided to the sum of the borrowers/grantee's investment plus the HOME assistance, or
4. DHCD may allow the borrower/grantee to recover his/her entire investment before any of the HOME assistance is repaid to the DHCD from the remaining net proceeds of the sale of the property.

In most cases, DHCD will apply option #1 above. There are no restrictions on the resale price or an income requirement of the buyer. Upon recapture, the affordability period is terminated. DHCD will identify the returned funds as program income and use the returned funds for other HOME eligible activities.

In cases of foreclosure, DHCD will recapture the amount from net proceeds available from the sale rather than the entire amount of the HOME investment. If there are no net proceeds from the foreclosure, repayment to the HOME account is not required and HOME affordability requirements are considered satisfied

In some special cases, DHCD may apply resale provisions. Under this provision, the property must remain affordable for the length of the HUD designated affordability period. If the original borrower/grantee sells the property, it has to be sold to an eligible buyer. Depending upon each particular project, DHCD will insure that the resale price must provide the original borrower with a "fair return on investment" including any capital improvements, the resale price must be affordable to the eligible purchaser, and the resale option is typically used in areas where it is difficult to obtain affordable housing such as areas with high home sales prices, rapidly appreciating housing costs, shortage of affordable homes and no land available.

CHRONIC HOMELESS (Please refer to Table 2C above)

There are approximately 2,853 homeless in the state at any one time in the State of Utah. Of this number about 765 are considered to be chronically homeless. Close to 14,000 will experience homelessness in Utah during the year. A new winter point in time count is in the process of being completed as this report is being prepared. The following types of housing are available in Utah to assist the homeless:

- Domestic abuse shelters
- Transitional or permanent housing for persons with mental health disabilities
- Group homes for troubled youth
- Group homes for persons formerly incarcerated.
- Dedicated permanent housing for the homeless. (Sunrise 100 units, Grace Mary Manor 84 units, and Palmer Court 201 units)

The domestic abuse shelters are designed for temporary safe housing for the victims including mostly woman and children. There are shelters throughout the state which are often older homes located in neighborhoods in need of roof replacement or repair, interior modifications, upgrading of HVAC and accessibility modifications.

There are six mental health districts in the state all providing some housing for mentally disabled persons who are unable to live independently. This housing provides full assisted living services for clients along with comprehensive counseling and employment opportunities where warranted. Mental health agencies provide housing at their central facilities and at dispersed locations in communities, in specific specialized housing, and in group homes. Housing for the mentally disabled population competes well in the various program application processes. Funding is available through the Community Development Block Grant (CDBG) program and the OWHLF programs with services often funded through the Community Services Block Grant (CSBG) program.

While many communities have provided housing for domestic abuse and mentally disabled homeless persons and families, they have not provided for shelters for chronically homeless persons or transient homeless. The primary homeless shelter is the Road Home in Salt Lake City. Many outlying areas simply provide transportation to the Road Home. The Road Home provides temporary housing for the homeless needs from Davis and Tooele Counties and any overflow needs for Weber and Utah Counties. In the winter there is also an overflow shelter managed by the Road Home in Midvale, Utah. There are a few additional shelters in the state.

During the 2008 program year, the elimination of chronic homelessness will take on even higher priorities as the state continues the implementation of the “Ten Year Plan To End Chronic Homelessness”. With the implementation of this plan, Utah is shifting focus from managing homelessness to ending homelessness. DHCD has several projects underway focusing on this population, including bringing on new units dedicated to the chronically homeless, use of existing inventory for scattered site housing, and one-stop centers for homeless services.

The legislature will add at least \$300,000 in permanent funding to the appropriation for the Olene Walker Housing Loan Fund. The justification for the additional funds will be based on the need for additional permanent housing (housing first model) through reservation and new construction of housing for the homeless in addition to the need for more rental housing. There will also be a similar increase for the Pamela Atkinson Homeless Trust Fund to provide additional services associated with permanent supportive housing. Both proposals have received community support as the Legislature convenes for the 2008 Legislative Session.

In Utah, DHCD has formed and provides technical assistance and leadership to 12 Local Homeless Coordinating Committees (LHCC) located statewide. These committees are chaired by local elected officials and include a diverse membership of service providers, government officials, advocates and private sector individuals. These committees continue to be strengthened and must be fortified to address the homeless problems of each community on a local level. Each LHCC has identified unique needs in their communities and is proposing or has already implemented a pilot project to test systems changes and measure the results of these changes. Each of the 12 committees is required to develop and implement plans to support the statewide plan. Each region's plans must include:

1. Definition and Evaluation of Existing Services and Housing
2. Housing Needs of Homeless persons and families in Transition
 - Persons with support based disability
 - Persons able to live independently with limited support services.
3. Housing Continuum Descriptions
 - Shelter/Temporary Housing (Stabilization)
 - “Assisted Living Housing” (mental disabilities and substance abuse treatment)
 - Transitional Housing: i.e. SRO's, public housing, etc.
 - Permanent Supportive Housing (Subsidized Rental Apartments and home ownership)
4. Housing Needs by Region
 - Number of Individuals and families
 - Homeless Housing Inventory

- Process for finding and accessing housing

5. Implementation Plan

- Priorities
- Performance Measures with Milestones
- Performance Measures

This state plan follows the same outline and includes the consolidation of information from the regions. It is important to note that each region presents data specific to the needs of their own region. Some regions have significant homeless issues (Wasatch Front and Mountainlands areas) and other regions have very few homeless populations, but still have a need to plan for those homeless who are present, to prepare for those at risk of becoming homeless, and to prevent homelessness among those who do live in their communities. Homeless pilot projects currently underway in Utah include:

- Salt Lake Pathways Pilot Project – Housing 17 Individuals with Supportive Services in a scattered site model.
- Ogden Pilot – Housing 4 individuals with Supportive Services in a scattered site model.
- Sunrise, Grace Mary Manor and Palmer Court Apartment Placement – Specialized Housing specialists dedicated to placing chronically homeless individuals in the Sunrise Metro Apartments (100 units), the Grace Mary Manor Apartments (84 units) and Palmer Court (201 units).
- Bear River – Housing Domestic Violence victims in scattered site apartments with community and faith based supports for independence.
- Davis County – Providing specialized services to homeless families who have children in the county school district.
- Salt Lake County Jail Discharge – Provide housing placement and supportive services to individuals being discharged from the Salt Lake County Jail.

Tremendous outcomes have already surfaced from the pilot projects and bring a tremendous learning experience for DHCD to further implement successful practices and identify the various methods to ultimately end homelessness in Utah. The goal of the State Homeless Coordinating Committee (SHCC) on all homeless matters is to solve issues statewide by focusing on local issues and local implementation. Hence, the organization of Utah's infrastructure is to analyze needs and deliver services. Upon analysis of the issues, we use the acronym PIES to describe our delivery process. It stands for Pilot, Implement, Expand and Sustain.

PUBLIC HOUSING

The Housing Authority of Salt Lake City and the Utah County Housing Authority are in process of disposing of almost 400 units of public housing. Proceeds from the sale of the units will be used for development and construction of new low income rental properties. In the case of HASLC, the authority hopes to construct enough units for a net increase of almost 250 units over the existing number. Residents units have been notified and receive Section 8 vouchers, provided a 90-day notice of sale, and have received training on use of their Section 8 vouchers. Once a voucher is received, residents have 120 days to find housing. The

authorities are paying relocation expenses. Some housing advocates have expressed concern over the inability of the vouchers to effectively provide displaced households with comparable housing.

DHCD has also been concerned with the processing of applicants from waiting lists for both housing assistance and housing units. Of the 17 housing authorities surveyed by DHCD in October 2008, only 5 of the agencies surveyed try to locate or accommodate difficult to find or communicate with individuals (such as homeless individuals and refugees). The other 12 agencies tend to relist applicants to the bottom of a waiting list when the applicants reappear. In one case reported to our office, a homeless woman had been cycled up and down an agency's waiting list for over three years because letters were undelivered. DHCD issued a letter that challenges housing authorities to better accommodate difficult to find or communicate with individuals through reevaluation of policies and procedures.

For other public housing units in Utah, DHCD has encouraged housing agencies to reapply to the Olene Walker Housing Loan Fund Board for funds to rehabilitate any older units.

EMERGENCY SHELTER GRANTS (Please refer to Table 2C above)

ESG has proved to be a valuable tool for implementing the homeless strategies identified by local communities. DHCD has used ESG funds for a variety of eligible activities throughout the state and in conjunction with locally identified needs. The use of these ESG funds will be in conjunction with the goals set forth in the Consolidated Plan which highlight the following areas of focus:

- Homeless Prevention
- Affordable Housing
- Supportive Services
- Information Management
- Chronic Homelessness

In addition, the eligibility criteria and emphasis of funding must be aligned with the state ten-year plan and the local objectives outlined in their respective LHCC.

Homeless Prevention is a key focus in our efforts to close the front door to homelessness. One of the primary goals of the allocation committee is to award 30% of our ESG funds for homeless prevention activities.

DHCD will be measuring affordable housing objectives as part of the essential services portion of ESG. This relates to our effort to measure the actual client outcome as a result of the case management funded through essential services. DHCD has adopted a self-sufficiency matrix to measure the progress of individuals in many different categories of self-sufficiency. Affordable supportive housing is a very important component of this. The state has used the 30% maximum for Essential Services in the past and would anticipate funding the same percentage this year.

Along with the housing metrics mentioned above, DHCD is also measuring the results of specific categories within the case management services of sub-grantees. For example, if an agency is awarded funds for Essential Services to implement a Substance Abuse program, our matrix will measure where the client begins and has progressed throughout the program year. This will allow DHCD to effectively determine client level outcome results. It will also allow sub-grantees to identify specific gaps in service and other modifications that may be necessary to achieve the desired outcome as outlined in their contract scope of work.

The SHCC remains an outcome-oriented, research-based, decision-making body. Information Systems are a critical function of the measurement of our success. Every recipient of ESG and Pamela Atkinson Homeless Trust Fund (PAHTF) must participate in the HMIS with the exception of Domestic Violence providers. With the integration of the aforementioned self-sufficiency matrix as a required field of information, DHCD will generate real-time data to make sound decisions regarding programming. Currently, DHCD is generating point-in-time information on a semi-monthly basis for reporting to the SHCC.

For the 2009-10 year, DHCD anticipates allocating the distribution of ESG as 5% Administration, 30% for Homeless Prevention, 30% for Essential Services and 35% for Operations and Maintenance (See Table 2C). All of this funding is offered at one time as part of a statewide application process and is dependent on the applications submitted and which qualify for funding. The State will maintain the statutory limitations of Homeless Prevention and Essential Services and will have all funds committed by May 13, 2008.

HIV/AIDS (Please refer to Table 2C above)

The State of Utah supports existing HOPWA projects and services by distributing funds to agencies that serve clients throughout the State. Based upon the recommendations of the HOPWA Advisory Committee and DHCD staff, funds are distributed annually to the service agencies under the approval of the Governor's Olene Walker Housing Loan Fund Board. Recipients currently include Catholic Community Services-Ogden Area (CCS) which serves northern Utah, two urban counties (Davis and Weber), and four rural counties (Morgan, Rich, Cache, and Box Elder); Salt Lake Community Action Program (SLCAP) which serves central, southern, and eastern rural Utah; Ogden City Housing Authority which serves clients in Weber County; St. George Housing Authority which services clients in the city of St. George and southwestern Utah; and the Davis County Housing Authority which provides assistance in Davis County. Essentially, this combination of agencies provides services to every area of the State. Services include short-term rent, mortgage and utility assistance (STRMU), Tenant Based Rental Assistance (TBRA), and emergency motel stays for homelessness prevention and the first step toward permanent housing placement and stability.



Match for the ESG funding is derived from the Pamela Atkinson Homeless Trust Fund

The DHCD HOPWA Program Manager has responsibility for the HOPWA program in Utah. During 2009-2010, the Program Manager will provide technical assistance to HOPWA Project Sponsors to put systems in place that measure performance outcomes and capture data for accurate reporting in the Consolidated Annual Performance and Evaluation Report (CAPER).

The Program Manager will evaluate each Project Sponsor's HOPWA program services to adjust the distribution of grant award accordingly. A system that correlates Project Sponsors' reimbursement requests with performance outcome measurements will be implemented into the quarterly monitoring plan.

Ongoing assessment of the HOPWA program will include coordination between Project Sponsors that provide HOPWA client intake and Supportive Services (including the development of housing plans) and those that provide direct Housing Subsidy Assistance.

HOPWA Rental Assistance consists of three categories for Housing Assistance: Tenant Based Rental Assistance, Facility-based Housing Assistance, and Short-term Rent, Mortgage and Utility Assistance. The "assistance" categories are divided into the number of households receiving HOPWA assistance and the number of households continuing assistance from the prior year. Further divided, each assistance category reports the number of households that exited the program and where they relocated: emergency shelter, temporary housing, private housing, other HOPWA, other subsidy, institution, jail/prison, disconnected, and death.

DISCHARGE POLICY

The State of Utah recognizes the need to create and implement policies and procedures to keep those being discharged from foster care, youth detention, incarceration, and care facilities from becoming homeless. To this end, the Utah Department of Human Services reorganized the statewide Discharge Planning Committee's responsibilities in August 2007 to focus on program policy and funding on the macro level. Issues identified in the local homeless coordinating committees throughout the state are brought to the attention of the state Discharge Planning Committee. This communication is accomplished by having various Department of Human Services local representatives participate in each local homeless coordinating committee. Other local mental health and substance abuse authorities and providers are also connected to the local homeless coordinating committees. Gaps in services, policy blockades, and bureaucratic obstacles are identified at the local level and communicated to the statewide committee.

For youth aging out of foster care or the state's juvenile justice system, DHCD staff attend of the Transition to Adult Living (TAL) interagency task force where specific youth cases are discussed and dealt with.

The Utah Department of Corrections has a policy that no one can be discharged into homelessness and is looking at refinements and developments to this policy. Efforts are being made by DHCD to convince corrections officials of the merits of funding permanent supportive housing as a way to reduce recidivism rates – currently at 24 percent. Data compiled by housing, law enforcement and justice officials support this new hope for combating recidivism. In 2008, Salt Lake City police records were reviewed to determine the costs to arrest, book and jail people for petty crimes (like loitering and public intoxication). The review covered a five-year period, from 2002 to 2006, and identified 39 top arrestees, all of them men and homeless. In those five years, the 39 men logged 15,000

nights at the Salt Lake County jail or 3,000 jail nights a year. In addition, these same men logged 837 arrests annually, 433 bookings, and 155 ambulance calls at a cost of \$2.6 million. For eight of the 39 who were moved into permanent supportive housing, the eight show a 65 percent drop in bookings and 55 percent reduction in jail time. DHCD estimates that permanent supportive housing could reduce demand by 240 beds or \$16.2 million and \$4.6 million on-going.⁷

COMMUNITY DEVELOPMENT

(Please refer to Table 2C above) What a difference a year makes! When the 2008-09 Consolidated Plan Update and Action Plan was submitted, the State of Utah was experiencing unprecedented growth and prosperity. And, now the economy is facing a crises that in many ways parallels the great depression. Utah will use its entire HUD allocation in meeting the priorities established in the three main program areas of housing, community development and economic development to benefit low to moderate income persons. The State's community development efforts for the next one-year period will follow the priorities per Table 2C. This information, in connection with the economic development and housing sections, fulfills all of the requirements of 24 CFR 91.1.

Due to the philosophy of local control, each of the seven planning regions has produced in Chapter 3 of their respective consolidated plans a community development needs assessment. The state plan per Table 2C lists the types of projects that are most likely to be funded this year per preliminary rating and ranking. The regional plans provide an overview of local needs: This document offers a specific plan for how HUD funds will actually be spent on community development in 2009.

The top priority for using CDBG funds in 2009 is public facilities, especially water related needs. Housing continues to climb as the economic crises escalates and local officials recognize the need for affordable housing. Despite the drastic economic downturn, Utah is still one of the fastest growing states, therefore planning is a high priority, ADA access projects are popular with CDBG funds due to the low cost and easy qualification of this type of activity. Economic development needs remain high, but qualification can be problematic for local jurisdictions.



The state allows each AOG to apply for up to 15% of their regional CDBG allocation for administration and planning. A significant portion of this amount will go towards planning, as it remains a critical need in rural Utah. This will put the state above 15% but below the 20% cap for administration and planning. State staff monitors to insure the cap is not exceeded.

At the time of this writing, applications are being reviewed by the regional review committees for rating and ranking. Given the states unique method of distribution it is impossible to tell what applications will be funded at the time of this writing. However, this

er 2009.

information is made available on the state's web site and in many cases on the regional AOG web sites. Interested parties should feel free to look it up at <http://community.utah.gov> or contact the state office toll free at 877 488-3233 for information on funded projects.

Redhawk Apartments in Springdale, Utah provide 24 units of affordable workforce housing

The main objective for CDBG-funded economic development activities is the creation of economic opportunities for LMI households. The CDBG- funded outcomes will create jobs or assist low income business owners both directly and indirectly.

Outputs will count jobs created including those jobs filled by low-income persons and or businesses assisted. Quarterly reports for active RLF funds and performance measures are reported in the HUD IDIS system.

DHCD is assuming a 2009-10 HUD allocation that approximates Utah's 2008 CDBG allocation of \$6,547,918. After the deduction of administration costs, the remaining balance for regional allocation is \$6,316,960 . The following formula is used to distribute this amount to the non-entitlement cities and counties through their regional planning agencies. Each of the seven planning regions receives a base amount of \$300,000.00 for a total of \$2,100,000.00. That amount is subtracted from the amount available after state administration. The remaining balance of \$4,216,960, is divided on a per-capita basis of 3.893025261 (allocation divided by population equals per capita formula) based on the most current non-entitlement population figures obtained from the State of Utah, Office of Planning and Budget.

**Table 3
Allocations by Region**

REGION	% NON-ENTITLE. POP.	NON-ENTITLE. POP.	PER CAPITA ()	BASE	TOTAL
BRAG	9%	100,239	390,233	300,000	690,233
WFRC	35%	383,149	1,491,609	300,000	1,791,609
MAG	29%	35,643	1,228,806	300,000	1,528,806
UBAOG	4%	44,608	173,660	300,000	473,660
SCAOG	7%	69,537	270,709	300,000	570,709
FCAOG	11%	116,602	453,935	300,000	753,935
SEUALG	5%	53,431	208,008	300,000	508,008
TOTAL	1	803,209	4,216,960	2,100,000	6,316,960

Note: Each region has listed their method of distribution in the state's CDBG Application, Policies and Procedures guidebook. For more information, see <http://community.utah.gov/>.

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING

Unfortunately, the concentration of certain populations (mentally disabled persons, mentally ill, chronically homeless, troubled youth, and other transitional populations) into multi-unit projects has created some opposition in the form of “not in my back yard” (NIMBYism) in many communities. Fair housing laws do protect these uses and communities must better accommodate affordable housing projects. Several examples of NIMBYism continued in 2008 during multifamily developments in St. George (mentally disabled), Helper (homeless), South Salt Lake City (homeless veterans), and West Valley City (chronically homeless mentally ill). In most cases, local zoning ordinances provided supported the developing agencies. And, two of these four projects have been resolved and will move into construction in 2009. And, one project is stalled in local planning processes. DHCD and local agencies continue to work with news media to educate the general public about affordable housing projects.

DHCD is committed to helping communities remove impediments to fair housing: land costs, zoning barriers to group homes, zoning that discourages multifamily densities by limiting developers to single family homes on large parcels, lack of public transportation, lack of incentives from municipalities to support multifamily developments (fee waivers, etc.), out of date local affordable housing plans, and inadequate supply of family-size units. As a follow-up to statewide trainings on institutional barriers conducted for local planning officials during April through July 2008, DHCD staff is meeting individually with municipalities to upgrade affordable housing plans which include action items designed to eliminate barriers to affordable housing.

The past several years of economic growth have created stresses for low income populations. Increased rents and limited availability of rental units has restricted this population group’s access to affordable housing. Moreover, land costs helped to restrict developers and agencies from acquiring, constructing, and delivering additional affordable housing units. For this reason, DHCD plans to utilize National Stabilization Funds to “land bank” property for future multifamily developments. This would allow DHCD to acquire certain NSP-eligible properties at a discount to appraised value during the current real estate downturn and work with developers and agencies long-term to create new affordable multifamily rental units and serve low income populations.

To eliminate other types of discriminatory housing practices, each recipient of Olene Walker Housing Loan Fund (OWHLF) HOME funds certifies through a signed contract to comply with Titles VI and VIII of the Civil Rights Acts and shall affirmatively further fair housing as set forth in Subpart H, Section 92.350, FEDERAL REGISTER, Monday, December 16, 1991, 24 CFR Part 92, HOME Investments Partnership Program; Interim Rule as amended from time to time. Recipient records must document compliance with Fair Housing, affirmative marketing procedures, and requirements of 92.351. These records are monitored regularly throughout the compliance period by the Division of Housing and Community Developments’ internal auditors. Monitoring results are reported quarterly to the Olene Walker Housing Loan Fund Board. The Board reports detail which housing projects are properly using set-aside units for low income households, disabled households, and homeless households. Copies of monitoring checklists and findings are maintained on file at DHCD.

The Division of Housing and Community Development relies on the Utah Labor Commission to investigate any actions, omissions, or decisions that restrict housing choices or housing availability as well as discriminatory housing practices. During 2008, DHCD referred approximately 1-2 complainants per month to the Utah Labor Commission.

The DHCD staff work with other partners and allies to overcome other institutional barriers to affordable housing. Staff coordinates with the allocation of ESG, CNH, and funds from the Pamela Atkinson Homeless Trust Fund to assure adequate supportive services for lowest income residents. These services equip lowest income population with coping skills, provide vocational counseling, provide substance abuse interdiction, and create other support mechanisms for low income populations to navigate the processes for obtaining and retaining housing. In addition, DHCD regularly participates in issue discussions and coordination with other government agencies and non profit organizations for refugee housing, disposition and repairs for public housing units, assistance to troubled housing authorities, homeownership in lower income areas, housing for the homeless, eviction and foreclosure prevention, housing for those coming from incarceration or youth in transition, and housing for the disabled. DHCD also participates in community fairs, Housing Day on the Hill, and public hearings for affirmatively affirming fair housing for all populations.

RATING AND RANKING

The HUD funds for HOME activities, CDBG, ESG, and HOPWA are governed by each program's allocation plan. Those plans are created in a public process that provides at least an annual hearing. Hearings are advertised state-wide in accordance with Utah's Open Public Meeting law. Comments are considered in finalizing changes and updates to each allocation plan. In addition, each program's distribution of funds is governed by state Boards with membership appointed by the Governor and other advisory committees which make final decisions for project funding in an open public meeting format. A representative of the Attorney General's Office also provides consultation to DHCD staff and the related Boards on open public meeting laws and processes.

HOME

To distribute HOME and matching state funds, DHCD conducts four application cycles each year. To coincide with the federal tax credit application process, larger requests for OWHLF multi-family project funding tend to occur each fall. Once applications for projects or programs are received and reviewed, DHCD recommends a level of funding to the Olene Walker Housing Loan Fund Board necessary to achieve long-term financial viability and to ensure that low-income populations are served throughout the funding period. The OWHLF utilizes a 15% CHDO set-aside in approving applications for funding assistance. Board meetings are conducted under State of Utah public meeting laws. In making final project approvals, the OWHLF Board will consider:

- The sources and uses of funds and total financing including loan terms, equity and contributions planned for the project. The OWHLF does not generally provide loans for the refinancing of MF and SF properties. Any instances would follow HUD regulations Sec. 92.206(b).
- Adherence to special set-asides for Community Housing Development



The Division of Housing and Community Development Received the “Excellence in Energy Efficient Affordable Housing” from the U.S. EPA in April 2008.

- Organizations (CHDOs), rural set asides, special needs housing, and grants
- The equity proceeds expected to be generated by use of the Low Income Housing Tax Credits.
- The percentage of the housing dollar amount used for hard project costs compared to the cost of intermediaries (e.g. syndication, developer, consulting) and other soft costs.
- The reasonableness of the developmental, construction, and operational costs of the project and the rate of return of the owner's investment.
- The support from the local community including the amount of any CDBG grant funds allocated to the project and adherence to the local governments affordable housing plan.
- The proposed time frame for construction or rehabilitation.
- Adherence to ENERGY STAR for new construction and rehabilitation unless a waiver is granted showing that all cost effective energy upgrades have been completed.
- The creation of new housing units/capacity.

HOPWA

The selection criteria for awarding of HOPWA funds are based on a statewide survey of agencies that provide services to people living with HIV/AIDS. Of those, agencies that were funded in the previous year and that demonstrated effective use of funds are funded in the following year. On a practical basis, ongoing funding of the same agencies prevents those on assistance from the threat of homelessness should funding be cut. An HIV/AIDS Housing Steering Committee, a committee of medical care providers, housing agencies and HOPWA project sponsors, remains in direct contact with people living with HIV/AIDS. Their combined knowledge of the medical and supportive services providers insures that distribution of funds is equitable among the providers and client needs throughout the state.

ESG

For the upcoming fiscal year, DHCD will publish the RFP on February 8, 2009 for the Emergency Shelter Grant (ESG) Award in conjunction with our funding from state sources such as the Pamela Atkinson Homeless Trust Fund and Critical Needs Housing programs. DHCD will hold an application workshop in February 2009 to help educate potential applicants regarding the program rules and regulations and the priorities of the allocation committee for the upcoming year. Applications for funds will be due into our office by March 19, 2009. Thereafter, we will hold allocation hearings and award funds by May 13, 2009. DHCD will fully commit all ESG funds by that date.

CDBG

The Community Development Block Grant (CDBG) funds are utilized consistent with the distribution methodologies developed by the regional planning agencies as approved by the state: Essentially, each of the seven planning regions is given a base amount of \$300,000 with the balance being distributed based on a population formula. Utah CDBG policy has long held that program decision-making should be made as close to the applicant level as possible. On this basis, each of the seven regional planning agencies or AOGs has been delegated the responsibility to create and apply a rating and ranking process.

For CDBG, these rating and ranking systems are carefully and completely described in the 2008 CDBG Applications, Procedures and Policies Manual. This book is available on-line (<http://community.utah.gov>). It is distributed to all potential applicants in a mandatory how-to-apply workshop held each September with approximately 15 workshops throughout the state. Prior to adoption of these systems by local elected officials in each region, they are subject to a public review process. The state has final approval authority over these systems, and they must include the state's mandatory elements (Capacity to Carry Out the Grant, Job Creation, Housing Stock, Affordable Housing Plan, Extent of Poverty, Financial Commitment to Community Development, Project Maturity, Successful participation in quality growth community programs). The rating and ranking systems are evaluated each year and modifications are made. Special efforts have been made since the last consolidated plan to eliminate subjectivity and create clearer scoring criteria.

LEAD-BASED PAINT

The State of Utah has estimated that there are 75,000 homes in the non-entitlement areas that were constructed prior to 1978. Of these homes, an estimated 20,000 are most likely to have lead based paint hazards. And it is expected that 12,000 of these homes are occupied by low or moderate-income persons. These homes are occupied primarily by elderly persons, many of whom are retired and living on fixed incomes. In the 2000 program year, the State set aside funding for each of the 7 regional Association of Governments areas. This funding was earmarked for LBP testing equipment to assist housing rehab professionals in the rural areas. This plan has been somewhat successful in that more pre-1978 homes are tested and subsequently rehabilitated. The challenge continues to be 1) limited funding 2) local staff turnover 3) lack of trained contractors and 4) a large geographic area (80,000 square miles) to cover.

The urban areas of Salt Lake City and Salt Lake County operate very successful lead hazard reduction/housing rehab programs and no new funding is needed at this time. This is due in part to the relatively small geographic they serve and the availability of large lead based paint grants for urban areas.

We continue to encourage partnerships between the Weatherization, CDBG and HOME programs so that trained staff is available in each of the seven regions to test the pre-1978 homes of low income persons. It is our hope that through continued education efforts, we will be able to raise the awareness of the issue of lead based paint poisoning in the State of Utah.

All multifamily and single family units that are funded with HUD entitlement funds to DHCD are required to meet all requirements for testing and abatement of lead-based paints.

LIST OF ATTACHMENTS

- Attachment 1: Public Comments Received per 10-day Comment Period (beginning 2/4/2008)**
- Attachment 2: Local Consolidated Plan Updates and Action Plans from all Seven Regional Planning Agencies (attached as a CD)**
- Attachment 3: Economic and Demographic Background Information**
- Attachment 4: Program Funding Considerations (Program Income, Administrative Funds, Match, etc.)**

Attachment 1
Public Comments Received per 10-day Comment Period (beginning 2/4/2008)

(only one person representing a housing coalition attended the hearing, but no comments were received)

Attachment 3

ECONOMIC AND DEMOGRAPHIC BACKGROUND INFORMATION

Economic Development Summary

The Economic Report to the Governor provides information to elected officials, business leaders, and citizens. A strong economy is key to growth and progress in Utah. It is the foundation upon which all other priorities rest. Since announcing his bid for governor in September 2003, Jon M. Huntsman, Jr. has intently focused on creating meaningful policy solutions to assist with the growing demands of the present day while preparing future generations for a better tomorrow. As a businessman, Huntsman felt a top priority in his Administration would be strengthening Utah's economy to create an increased flow of revenue to provide adequate resources necessary to support key initiatives. Utah needed a strategic plan to outline the steps necessary to meet the demanding needs of now and yet to come. In an effort to organize the many functions necessary to begin the arduous task of bolstering the economy, Huntsman outlined a ten-point plan highlighting the efforts needed to turn the trends. Work is not complete, but measurable improvements have been made.

Outlook

The outlook anticipates little growth during 2009. Population growth should remain steady but little job growth with some unemployment is expected. Utah should fair better than most states, but a slow rebound for the recession is expected.

Jobs and Wages

Six months ago Utah still had job growth, now some estimates are that jobs are contracting at up to 2%. In December job losses mounted as the unemployment rate hit 4.3 % as new construction, especially in housing, has been stalled for the better part of a year.

Agriculture – Last year Utah farm income was expected to reach the highest level ever in agricultural income. However, the rapid rise of grain costs raised expenses for livestock growers, which lowers farm income in states such as Utah, where over 50% of sales are from cattle. Utah's net farm income plummeted over -90% in the first quarter alone. The Turkey Industry in central Utah has all but shut down following thanksgiving and help is desperately needed. Now prices for all agricultural related products have dropped dramatically causing even greater strain in the industry.

Construction - Total construction valuation remained healthy despite the sharp reversal in residential construction activity and valuation. Non-residential construction should continue due to projects such as The City Creek Center in downtown Salt Lake City. Because growth in the non-residential sector should continue to somewhat offset the decline in the residential sector, some construction jobs remain. The proposed federal stimulus package may also maintain a number of highway related projects and jobs.

Defense - The current level of defense activity which is at record highs may not continue in 2009 as military involvement overseas and base realignment diminishes under the new administration.

Energy & Minerals - Following an all-time high of \$8.1 billion in 2006, the gross production value of all energy and mineral commodities produced in Utah continues to decline. Reductions in coal production now coupled with decreased commodity, oil and mineral and precious metal prices are likely to have a profound affect on Utah.

Tourism - Utah's travel and tourism sector experienced significant gains during 2007 that began to drop in 2008. Budgets have now been slashed for tourism promotion and a weakened global economy does not bode well for the tourism sector. On the bright side, early estimates from the ski industry indicate that good early snow falls have been kind and tourist are still coming to Utah to spend their ski dollars.

Growth - Utah is expected to slow but not recede./ Population projections are that Utah will reach 3 million before 2010 is over.

Looking Ahead

Utah's economy is coming off four remarkable years. The growth has slowed, and may even recede slightly in 2009. But the hope is that federal efforts will quickly revive the economy and prevent Utah from falling into a deep recession as seen in many part of the country. Historically Utah is late to the party and slow to come out of a slump, but perhaps it will be different this time!

Utah's Rural Economy

Utah's economic engine is based along the Wasatch front from Ogden in the North to Provo in the South. Off of the Wasatch front the economies of other counties varies greatly. Evaluating the regional consolidated plans demonstrates how the local economies compare to one another. Some certainly fair better than others, as there are tremendous differences in the economies of the 29 counties in the state and this plan only provides a general overview of those differences. To gain a better understanding of the challenges and opportunities facing each county the regional plans should be carefully studied.

In rural Utah, HUD has been and will continue to be a key player in economic development. Revolving Loan Funds (RLF) were set up and capitalized with CDBG funds across the state. Most have cut their ties to HUD funds through the creation of non-profit economic development organizations. So in essence, CDBG RLF funds are a vital part of the rural economy in each region of the state.

The state also has an interim loan fund that reviews several applications each year. This last year Temkin International in the southern part of Utah County paid off a \$2 million loan after creating over 100 jobs, the majority of those jobs for low income persons. The Applications, Procedures and Policies Manual available on line or directly from the state fully explain these policies. We expect both the RLF and interim loan funds to remain active and strong in the future.

Comprehensive Economic Development Strategy/Plan

The regional consolidated plans contain a great deal more information than is contained in this plan. Below are links to each of those regions plans. It is strongly recommended, that the regional plans be viewed via their respective web sites.

BRAG – <http://www.brag.utah.gov>

FCAOG - <http://www.fcaog.state.ut.us/dep/community/consolidated.php>

MAG - <http://www.mountainland.org>

SCAOG - <http://www.sixcounty.com>

SEUALG - <http://seualg.dst.ut.us/>

UBAOG <http://www.ubaog.org/>

WFRC – <http://wfrc.org/cms/>

Special Needs

For the second consecutive year, the emphasis of this action plan focused specifically on communities with signs of distress or special needs and this is addressed in Chapter IV of this plan. Few communities identified economic development as an indicator of special need. However, most recognize the need for economic development, not only in distressed communities, but in all communities.

Outcome Performance Measures

Each regional consolidated plan discusses performance measures and the reader should refer to each plan for detailed outcome measures. Additionally, Chapter VI of this plan deals specifically with performance measures providing both charts and narrative. The main objective for economic development is creating economic opportunities. The outcomes will create jobs or assist low income business owners. Outputs will count jobs created including those jobs filled by low-income persons and or businesses assisted. Quarterly reports for active RLF funds and performance measures are reported in the HUD IDIS system.

Priorities

The state priorities are the regional priorities identified above and in the regional consolidated plans. The state will continue to support local and regional organizations that promote economic development through technical assistance, RLFs and float loans.

One Year Action Plan for Economic Development

Economic Development with HUD funds is a lower priority this year than in years past. However, that is expected to change as the economy weakens, job losses mount and bank lending remains tight. Most of the federal stimulus has revolved around housing and community development and therefore that is currently the states emphasis. We are also in the final year of our five-year plan and are actually spending more energy looking forward to the future. We expect little economic development activity early in the year but it should pick up as we move along in a new economy under a new federal administration.

Low Income Populations and Economic Development

The percentage of minority families in Utah has grown to about 11.4% and the demographics show that a significant majority live along the "Wasatch Front". The largest and fastest growing minority in the state is Hispanic (8.2%) followed by Asian (2%), Native American (1.5%) and African American (.5%). There are increasing numbers of persons with Pacific Island origins, as well, currently about .6%. Native American lands are designated for the Utes at Uintah-Ouray Reservation, Navajos in southeastern Utah, members of the Ute Tribe reside at White Mesa area, members of the Gosute bands in western Utah, the Shoshones in northern Utah, and the Paiutes in central and southeastern Utah.

The income characteristics of the state show lower per-capita income (\$10,889) than other states in the west due primarily to an extremely high birth rate (22.1 per 1000 persons) and a large number of persons classified as younger. There is approximately half of the population living in the State of Utah are classified as low or moderate income. There is a significant number of people underemployed due to the nature of jobs available in the state and the economic dependence in some areas on tourism. Population growth at 3.3% with net in-migration dropping from 41,000 in 2007 to 10,000 in 2008 as Utah's economy slows due to the national recession. The net in-migration includes approximately 1,000 refugees per year through the U.S. State Department.

According to the U.S. Census Bureau's 2006 American Community Survey 10.2 percent of Utahns live below the poverty level (63,000 households per the US Census). This compares to a national poverty rate of 13.3 percent. Eleven of Utah's twenty-nine counties have poverty rates above the national rate with San Juan County as one of the nation's poorest counties with a high Native American population and a poverty rate of 31.4 percent. Most Utah households in poverty are nonminority with someone who has worked at some point during the past year. The poverty report prepared by the Utah Community Action Partnership Association at <http://www.utahcap.org> shows that poverty is experienced by:

- 10.9 percent of children under 18
- 6.5 percent of people over the age of 65
- 2.4 percent of full-time workers
- 14.5 percent of part-time workers
- 17.5 percent of those with less than a high school diploma.
- 29.4 percent of American Indian and Alaskan Natives;
- 13.7 percent of Asian Americans;
- 22.7 percent for Hispanic Americans or Latinos of any race

Minority households are typically lower income and often experience a higher percentage of inadequate housing than other families. Minority families, elderly persons living on Social Security and single female heads of households, occupy many of older homes in rural Utah and do not have the financial ability to maintain or rehabilitate them. The number of persons living with a disability in Utah is now over 298,000. Mostly the disabilities are physical 46% but a large percentage 28%, have mental disabilities.

Attachment 4
Program Funding Considerations (Program Income, Administrative Funds, Match, etc.)

Program Area	Administrative Funds	Program Income	Matching Funds
HOME	DHCD sets aside 5% of HOME funds received for administration of HOME-based programs. Not all administrative funds are used at DCHD. Some funds have been allocated to local agencies for administration of the Single Family Rehabilitation and Reconstruction Program and ADDI. All administrative costs are documented to assure that charges are appropriate and applicable. Local agency administrative cost documentation is monitoring on an annual basis by DHCD monitoring staff. The estimated administrative set-aside for 2009-10 is \$368,000.	The Division of Housing and Community Development has historically provided low interest loans for multifamily and single family new construction and rehabilitation rather than grants. During the past two years' of application cycles, OWHLF has experienced a dramatic increase in funding requests beyond the balance of new HOME funds and state match. Without the PI generated from previously funded projects, these applications would not have been funded, leaving fewer affordable housing units to meet Utah's needs. Any program income received is tracked based upon the original source of funds (HOME PI, State match PI, etc.). All PI is allocated first before any unobligated HOME funds, and PI is expended first. When a project is resold or when a foreclosure occurs, the State of Utah recoups all or at least a portion of the HOME assistance provided. These recaptured funds are treated as Program Income. The total in PI earned in all categories (federal, state match, and state non match) is \$1.9 million for FY09 to date.	HOME funds are matched with a 25% match from state legislative appropriations to the Olene Walker Housing Loan Fund. The funds are designated "on-going" when funded by the legislature. Matching funds are accounted separately from non-matching state funds, and any matching funds later received as program income are accounted separately. Besides the state match, the HOME and state matching dollars leverage other public and private funding on a project by project basis. Leveraging for 2009 multifamily projects averaged \$10 per HOME and state match dollars allocated. For 2009-10, the state match for the new year HOME allocation will be approximately \$920,827.
ESG	The 2009-10 administrative set-aside is estimated at 5% or \$29,951 for ESG	No program income.	Matching funds dollar for dollar are derived from the State of Utah's Pamela Atkinson Homeless Trust Fund. In addition to this match, and funds provided by the state to local agencies (including the PAHT and ESG funds) must also be match dollar for dollar with local funds. For 2009-10, the state match for the new year ESG allocation will be at least \$605,951.
HOPWA	DHCD sets aside 10% of the HOPWA funds received for administration of the program. Not all administrative funds are used at DHCD with 3% reserved for DHCH expenses and 7% for local agency expenses. Local agency	All grants – no program income.	Not required.

	administrative cost documentation is monitored on an annual basis by DHCD monitoring staff. The estimated administrative set-aside for 2008-09 is \$11,500.		
CDBG	Based upon the State of Utah's allocation of CDBG funding, the State is authorized to use \$100,000 plus two percent (\$130,958) of the total grant for a total administration cost of \$230,958. . All administrative costs are documented to assure that charges are appropriate and applicable. The state matches the \$130,958 with state funds appropriated by the legislature.	Program income that the state receives will be used in conjunction with the allocation. The income will be distributed per the state's standard method of distribution as described below and per the 2010 CDBG Application, Policies and Procedures guidebook. Program income from HUD revolving loan funds will be retained at the local level and used to perpetuate the purpose for which it was originally granted, including all applicable rules and regulations.	No match is required. However, an average of \$2 is being leveraged for each project receiving CDBG funds.